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7 Attorneys for United States of America

8 UNITED STATES DISTRICT COURT FOR THE
9 NORTHERN DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,
11 Plaintiff,
12 v.
13 ENERGY RESEARCH & GENERATION,
14 INC. and ERG AEROSPACE
15 CORPORATION, as the successor-
16 in-interest of ENERGY RESEARCH &
GENERATION, INC.
17 Defendants.

Case No. 4:17-cv-05638-HSG

**STIPULATION TO JUDGMENT AND
REQUEST FOR ENTRY OF
JUDGMENT**

18 The United States of America and Defendants Energy Research & Generation, Inc. and ERG
19 Aerospace Corporation, as the successor-in-interest of Energy Research & Generation, Inc., through
20 undersigned counsel, stipulate and agree as follows:

21 1. This is a civil action brought by the United States to reduce to judgment federal income
22 tax assessments against Energy Research & Generation, Inc. and ERG Aerospace Corporation, as the
23 successor-in-interest of Energy Research & Generation, Inc., for tax years 1999-2009, 2011, and 2012.

24 2. The United States and Defendants agree that the United States is entitled to the relief
25 requested in its Complaint and that the Court should enter the proposed Judgment.
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**STIPULATION TO JUDGMENT AND
REQUEST FOR ENTRY OF JUDGMENT**

3. Defendants Energy Research & Generation, Inc. and ERG Aerospace Corporation, as the successor-in-interest of Energy Research & Generation, Inc., are indebted to the United States for unpaid federal income taxes (Form 1120), penalties, and other statutory additions as follows:

| Tax Year | Date of Assessment | Date of Notice of Federal Tax Lien | Amount Assessed | Unpaid Balance Plus Accruals as of June 30, 2017 |
|-----------------|---------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 1999 | 5/23/2016 | 6/27/2016 | \$208,871.00 T \$324,311.04 I \$10,085.09 ETP \$46,995.97 FTF/P \$52,217.75 FTF/P | \$685,362.29 |
| 2000 | 5/23/2016 | 6/27/2016 | \$619,855.00 T \$816,500.01 I \$11,284.32 ETP \$139,467.37 FTF/P \$154,963.75 FTF/P | \$1,858,141.22 |
| 2001 | 7/4/2016 | 8/8/2016 | \$362,144.00 T \$419,146.88 I \$14,458.48 ETP \$81,482.40 FTF/P \$90,536.00 FTF/P | \$1,025,239.62 |
| 2002 | 7/4/2016 | 8/8/2016 | \$118,052.00 T \$121,034.31 I \$26,561.70 FTF/P \$29,513.00 FTF/P | \$312,666.95 |
| 2003 | 7/4/2016 | 8/8/2016 | \$6,726.00 T \$6,228.96 I \$174.82 ETP \$1,513.35 FTF/P \$1,681.50 FTF/P | \$16,982.45 |
| 2004 | 8/1/2016 | 9/15/2016 | \$228,924.00 T \$190,256.89 I \$192.13 ETP \$51,507.90 FTF/P \$57,231.00 FTF/P | \$556,945.54 |
| 2005 | 8/8/2016 | 9/15/2016 | \$124,338.00 T \$87,320.71 I \$4,987.15 ETP \$27,976.05 FTF/P \$31,084.50 FTF/P | \$290,387.71 |
| 2006 | 9/19/2016 | 10/25/2016 | \$153,809.00 T \$87,151.26 I \$7,303.82 ETP \$34,607.02 FTF/P \$38,452.25 FTF/P | \$336,257.08 |
| 2007 | 9/5/2016 | 10/13/2016 | \$55,637.00 T \$24,088.39 I | \$112,402.37 |

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|------|------------|------------|--------------------------------------------------------------------------------------------|--------------|
| | | | \$2,572.35 ETP \$12,518.32 FTF/P \$13,909.25 FTF/P | |
| 2008 | 10/3/2016 | 11/10/2016 | \$50,085.00 T \$17,533.72 I \$1,634.28 ETP \$11,269.12 FTF/P \$12,521.25 FTF/P | \$95,906.52 |
| 2009 | 9/26/2016 | 10/31/2016 | \$62,353.00 T \$17,871.81 I \$1,499.89 ETP \$14,029.42 FTF/P \$15,588.25 FTF/P | \$114,770.63 |
| 2011 | 10/31/2016 | 12/14/2016 | \$33,087.00 T \$6,310.15 I \$664.80 ETP \$7,444.57 FTF/P \$8,271.75 FTF/P | \$57,347.64 |
| 2012 | 11/28/2016 | 4/7/2017 | \$98,797.00 T \$15,133.30 I \$595.84 ETP \$22,229.32 FTF/P \$22,229.32 FTF/P | \$165,225.48 |

T = Tax

I = Interest

FTF/P = Failure to File or to Pay Tax Penalty pursuant to 26 U.S.C. § 6651

ETP = Estimated Tax Penalty pursuant to 26 U.S.C. § 6655

4. Judgment may be entered in favor of the United States and against Defendants Energy Research & Generation, Inc. and ERG Aerospace Corporation, as the successor-in-interest of Energy Research & Generation, Inc., for unpaid federal income tax liabilities for tax years 1999-2009, 2011, and 2012 in the amount of \$5,627,635.53, less any additional credits according to proof, plus interest and other statutory additions, as provided by law pursuant to 28 U.S.C. § 1961(c) and 26 U.S.C. §§ 6601, 6621, that have accrued since June 30, 2017.

5. The United States and Defendants agree that each party shall bear their own respective costs and attorney's fees incurred with respect to this litigation.

WHEREFORE, the United States and Defendants so stipulate and request an order granting this Stipulation and entering the corresponding Judgment.

1 DATED this 8th day of December, 2017.

2 DAVID A. HUBBERT
3 Deputy Assistant Attorney General

4 /s/ Amy Matchison
5 AMY MATCHISON (CA SBN 217022)
6 Trial Attorney, Tax Division
7 United States Department of Justice
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9 Washington, D.C. 20044
10 Telephone: (202) 307-6422


11 DATED this 8th day of December, 2017.

12 /s/ Jeffrey B. Setness
13 JEFFREY B. SETNESS
14 FABIAN VANCOTT
15 601 South Tenth Street, Suite 204
16 Las Vegas, NV 89101

17 *Attorney for Defendants Energy Research &*
18 *Generation, Inc. and ERG Aerospace Corporation,*
19 *as the successor-in-interest of Energy Research &*
20 *Generation, Inc.,*

1 Before the Court is the *Stipulation to Judgment and Request for Entry of Judgment* between the
2 United States and Defendants Energy Research & Generation, Inc. and ERG Aerospace Corporation, as
3 the successor-in-interest of Energy Research & Generation, Inc. The Court has considered the
4 *Stipulation* and is otherwise fully informed. The *Stipulation* is hereby GRANTED and it is hereby
5 ORDERED and ADJUDGED that Defendants Energy Research & Generation, Inc. and ERG Aerospace
6 Corporation, as the successor-in-interest of Energy Research & Generation, Inc., are indebted to the
7 United States for unpaid federal income taxes (Form 1120), penalties, and other statutory additions, for
8 tax years 1999-2009, 2011, and 2012 in the amount of \$5,627,635.53, less any additional credits
9 according to proof, plus interest and other statutory additions, as provided by law pursuant to 28 U.S.C.
10 § 1961(c) and 26 U.S.C. §§ 6601, 6621, that have accrued since June 30, 2017.
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12 Dated this 2nd day of January, 2018.

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16 HAYWOOD S. GILLIAM, JR.
UNITED STATES DISTRICT JUDGE
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